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## WAR FINANCE AS IT MIGHT HAVE BEEN—I

*November*, 1917

Financial Coixditions in August, 1914—No Scheme prepared to meet the Possibility of War—A Short Struggle expected—The Importance of Finance as a Weapon—Labour's Example—The Economic Problem of War—The Advantages of Direct Taxation.—The Government follows the Path of Least Resistance—The Effect of Currency Inflation,

A LEGEND current in the City says that the Imperial War Committee, or whatever was the august body entrusted with the task of thinking out war problems beforehand, had done Its work with regard to the Army and Navy, transport and provision, and everything else that we should want for the war, and were going on to the question of finance next week, when the war intez~vened. Whatever may be the truth of this story, the events of the war confirm the opinion that if it was not true it ought to have been. We are continually accused of not having been ready for the war ; but, in fact, we were quite ready to do everything that we had promised to do with regard to military 'and naval operations. Our Navy was ready in its place in the fighting line, and